



Cedar City

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Mayor
Maile L. Wilson

Council Members
Ronald R. Adams
Paul Cozzens
Terri W. Hartley
Craig E. Isom
Fred C Rowley

City Manager
Rick Holman

REDEVELOPMENT AGENCY MEETING

JULY 6, 2016

5:30 p.m. or as soon thereafter as the meeting is called

The Cedar City Redevelopment will be held in the Council Chambers at the City Office, 10 North Main Street, Cedar City, Utah. The agenda will consist of the following items:

I. **Call to Order**

II. **Business Agenda**

1. Public hearing to receive input with respect to the issuance of Rental Revenue Bonds and any potential impact to the private sector from the construction of the project.
2. Consider contractor selection process for the Lin's expansion. Kit Wareham
3. Local Business expansion project. Decoworx/Danny Stewart

Dated this 5th day of July, 2016.

Renon Savage, MMC
City Recorder

CERTIFICATE OF DELIVERY:

The undersigned duly appointed and acting recorder for the municipality of Cedar City, Utah, hereby certifies that a copy of the foregoing Notice of Agenda was delivered to the Daily News, and each member of the governing body this 5th day of July, 2016.

Renon Savage, MMC
City Recorder

Cedar City Corporation does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If you are planning to attend this public meeting and, due to a disability, need assistance in accessing, understanding or participating in the meeting, please notify the City not later than the day before the meeting and we will try to provide whatever assistance may be required.

MASTER RESOLUTION
OF
REDEVELOPMENT AGENCY OF CEDAR CITY,
IRON COUNTY, UTAH
AS ISSUER
DATED AS OF JULY 13, 2016

MASTER RESOLUTION

WHEREAS, the Redevelopment Agency of Cedar City (the “Issuer”) desires to finance the cost of constructing a 10,000 square foot, block wall expansion to the 34,823 square foot facility owned by the Issuer and used as a grocery store, together with all related work and improvements in connection with project area development (the “Project”) through the issuance of its Taxable Rental Revenue Bonds, Series 2016 (the “Bonds”); and

WHEREAS, pursuant to the provisions of a Resolution adopted on June 8, 2016 (the “Authorizing Resolution”), the Governing Body of the Issuer (the “Governing Body”) has authorized and approved certain actions to be taken by the Issuer in connection with the financing of the Project, including the adoption of this Master Resolution and the issuance of the Bonds hereunder; and

WHEREAS, it has been determined by the Issuer that the estimated amount necessary to finance the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Bonds in the total principal amount of not to exceed \$1,622,000.00 as hereinafter provided; and

WHEREAS, the Issuer has determined that the Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Bonds; and

WHEREAS, all acts and things required by law to make this Master Resolution a valid and binding instrument for the security of all Bonds duly issued hereunder have been done and performed, and the execution and delivery of this Master Resolution have been in all respects duly authorized; and

WHEREAS, all things necessary to make the Bonds when authenticated by the Issuer and issued as in this Master Resolution provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal on the Bonds, and to constitute this Master Resolution a valid assignment of the rights of the Issuer with respect to the Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Members of the Redevelopment Agency of Cedar City, Iron County, State of Utah, as follows:

ARTICLE I DEFINITIONS

Section 1.01: As used in this Resolution, the following terms shall have the following meanings unless the context clearly indicates otherwise:

"Act" means the provisions of the Local Government Bonding Act of the State of Utah, Chapter 14, Title 11, Utah Code Annotated, 1953, as amended, Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Utah Code Annotated, 1953, as amended, and the Registered Public Obligations Act of the State of Utah, Chapter 7, Title 15, Utah Code Annotated, 1953, as amended.

"Authorized Representative" means the Chairman and Secretary of the Issuer.

"Bonds" or *"Series 2016 Bonds"* means the bonds described in Article II hereof and hereby authorized to be issued by the Issuer, and in Articles III through VIII, inclusive.

"Bondowner", "Owner", "Registered Owner" or "Holder" means the registered owner of any Bond as shown in the registration books of the Issuer kept by Cedar City for such purpose

"Code" means the Internal Revenue Code of 1986, as amended.

"Debt Service Requirement" means the annual total debt service amount due on all Bonds in a given fiscal year.

"Depository" or "Depository Bank" means a Qualified Depository (defined hereinafter).

"Designated Officer" means the Chairman.

"Executive Officer" means the Chairman of the Issuer.

"Fully Registered Bond" means a single Bond registered as to both principal and interest in the denomination equal to the amount of the Bonds authorized herein.

"Governing Body" means the Members of the Issuer.

"Interest Payment Date" means the 15th day of June and December in each year beginning with December 15, 2016.

"Issuer" means the Redevelopment Agency of Cedar City, Iron County, Utah.

"Issue Date" shall have the meaning set forth in Section 2.02.

"Outstanding" or "Outstanding Bonds" means any Bond which has been issued and delivered in accordance with the provisions hereof; but shall not include a Bond in lieu of which another Bond has been issued to replace a mutilated, lost, destroyed or stolen bond.

"Permitted Investments" means (a) those investments specified in Section 51-7-11, Utah Code Annotated, 1953, as amended; and (b) the fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund.

"Pledged Revenues" means 100% of the rental or other revenues derived by Issuer from the lease of its improvements currently occupied and operated as Lins Grocery Store.

"Project" means the construction of a 10,000 square foot, block wall expansion to the 34,823 square foot facility owned by the Issuer and used as a grocery store, together with all related work and improvements in connection with project area development and in all other respects to pay the cost of foregoing including engineering and expenses and costs of and issuance of the bonds and to acquire and provide all appurtenant facilities therefor, together with all necessary or related work and improvements.

"Purchaser" means, State Bank of Southern Utah of Cedar City, Utah, as the initial purchaser of the Bonds from the Issuer.

"Qualified Depository" means a depository institution constituting a "qualified depository" under Chapter 7 of Title 51, Utah Code Annotated 1953, as amended.

"Resolution" means this resolution providing for the issuance of revenue bonds payable from Pledged Revenues, as from time to time amended or supplemented in accordance with the provisions hereof.

"Secretary" means the duly appointed and acting Secretary of the Issuer.

"Year" means the twelve-month period beginning on January 1st of each calendar year and ending on the next succeeding December 31st.

Except where the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing the male gender shall include the female gender and vice versa.

ARTICLE II TERMS AND PROVISIONS OF SERIES 2016 BOND

Section 2.01. Authorization of Bonds, Principal Amount, Designation; Series and Purpose. In accordance with and subject to the terms, conditions and limitations established by the Acts and in the Resolution, a series of Taxable Rental Revenue Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$1,622,000.00. Such series of bonds shall be designated "Taxable Rental Revenue Bonds, Series 2016."

The Bonds shall be issued in fully registered form only, without coupons.

The Bonds shall be payable solely from the Pledged Revenues to be derived from the rental income from improvements built and owned by the Issuer, as more specifically provided herein, to pay the principal of, premium, if any, and interest on the Bonds as they fall due and payable.

The Bonds are issued for the purpose of paying all or a portion of the cost of the Project.

Section 2.02. Issue Date. The Bonds shall be dated July 13, 2016.

Section 2.03. Bond Details. The Bonds shall mature on the dates and in the principal amounts, and shall bear interest at the per diem interest rates from the Issue Date payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2017. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall be dated the Issue Date and shall bear interest and shall mature, except as required with respect to a redemption prior to maturity, in accordance with the following schedule:

<u>June 15 of the Year</u>	<u>Amount Maturing</u>	<u>Interest Rate per annum</u>
2017	\$152,000.00	1.000%
2018	\$150,000.00	1.450%
2019	\$152,000.00	1.750%
2020	\$155,000.00	2.000%
2021	\$158,000.00	2.250%
2022	\$162,000.00	2.500%
2023	\$166,000.00	2.750%
2024	\$170,000.00	3.050%
2025	\$176,000.00	3.200%
2026	\$181,000.00	3.350%

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless (i) it is authenticated before the first Interest Payment Date following the Issue Date, in which case interest shall accrue from the Issue Date, or (ii) it is authenticated upon an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date; provided, however, that if at the time of authentication of any Bond interest is in default, interest shall accrue from the date to which interest has been paid. The Bonds shall bear interest on overdue principal at the stated rate on the Bond.

Section 2.04. Denominations and Numbers. The Bonds shall be issued as Fully Registered Bonds, without coupons, in the denomination of \$1,000 or any integral multiple thereof. The Bonds shall be numbered with the letter prefix "R" and from one (1) consecutively upwards in order of issuance.

Section 2.05. Paying Agent and Bond Registrar; Manner of Payment. Inasmuch as there is no trustee with respect to the Bonds and payments are to be made directly by the Issuer, there is no need for a paying agent with respect to the Bonds. Any error by the Bond Registrar in the registration, authentication, surrender or transfer of any of the Bonds shall constitute a Default. The Issuer may resign as Bond Registrar and appoint a successor or successors thereto, with the consent of Bondowner or Bondowners, as the case may be. Such resignation shall take effect on the date that each successor Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the Issuer and Bondowner or Bondowners a written acceptance thereof.

The principal of, and premium, if any, and interest on, the Bonds shall be payable in any coin or currency of the United States of America that, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Bonds shall be payable when due to the respective owner of each Bond at the head office of the Purchaser, in Salt Lake City, Utah, or the principal office of any subsequent Bondowner. Payment of interest on each Bond shall be made to the Person who, as of the Payment Date, is the respective owner of the Bond and shall be made by check, draft mailed or wired to the Person who, as of the Payment Date, is the owner of the Bond, at the address of such owner as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Payment Date. Within thirty (30) days after full payment of a Bond, the owner of such Bond shall surrender the Bond to the Bond Registrar or provide the Bond Registrar with written notice that the Bond has been lost, mutilated or destroyed.

Section 2.06. Redemption Provisions. The Bonds shall be redeemable at the option of the Issuer at par at any time and upon the mailing of a notice to the Registered Owner by certified mail, not less than thirty (30) days prior to the date set for redemption.

Section 2.07. Acceptance of Purchaser's Offer; Sale of Bonds.

(a) The offer of the Purchaser for the purchase of the Bonds shall be and the same is hereby accepted, it being hereby found, determined and declared that the Bonds bear interest at the lowest obtainable interest rate.

(b) Under authority of the Act, the Bonds shall be issued by the Issuer for the purposes set forth in Section 2.01 hereof. The sale of the Taxable Rental Revenue Bonds, Series 2016 to the Purchaser for the purchase price of \$1,622,000.00, is hereby confirmed.

(c) The Bonds shall be delivered to the Purchaser at such time and place as provided in, and subject to the provisions of the Resolution. The Treasurer of the Issuer is hereby instructed to make delivery of the Bonds to the Purchaser and to receive payment therefor in accordance with the terms of the Resolution.

Section 2.08. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the Chairman of the Issuer and attested and countersigned by the Secretary (the signatures of the Chairman and the Secretary being either manual or by facsimile). The use of such manual or facsimile signatures of the Chairman of the Issuer and the Secretary are hereby authorized, approved and adopted by the Issuer as the authorized and authentic execution, countersignature, attestation and sealing of the Bonds by said officials. The Bonds shall then be delivered to the Bond Registrar for manual certification of registration or, if applicable, authentication by the Bond Registrar. Only such of the Bonds as shall bear thereon a certificate of registration or, if applicable, authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so certified have been duly registered, authenticated, if applicable, and delivered under, and are entitled to the benefits of, the Resolution and that the owner thereof is entitled to the benefits of the Resolution. The certificate of registration or, if applicable, authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by the initial Bond Registrar or an authorized officer of any successor Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be registered or, if applicable, authenticated by the same Bond Registrar, and (b) the date of registration or, if applicable, authentication.

The Chairman of the Issuer and the Secretary are authorized to execute, countersign, attest and seal from time to time, in the manner described above, Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article VI hereof. At the time of the execution, countersigning, attestation and sealing of the Exchange Bonds by the Issuer, the payee, principal amount, maturity and interest rate shall be in blank. Upon any transfer or exchange of Bonds pursuant to Article VI hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, principal amount, maturity and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds and to complete, register, authenticate, if applicable, and deliver the Exchange Bonds, for the purpose of effecting transfers and exchanges of Bonds; provided that any Exchange Bonds registered, authenticated, if applicable, and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer and shall bear the name of such payee as the Bondowner requesting an exchange or transfer shall designate; and provided further that upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturities and interest rates, shall be cancelled. The execution, countersignature, attestation and sealing by the Issuer and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bonds containing such payee, principal amount, maturity and interest rate as the Bond Registrar shall cause to be inserted and the Bond Registrar shall thereby be authorized to register, authenticate, if applicable, and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all

purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

Section 2.09. Delivery of Bonds; Purchase Price. The sale of the Bonds to State Bank of Southern Utah at a price equal to \$1,622,000.00 is hereby approved, ratified and confirmed. The Bonds shall be delivered to the Purchaser as soon as may be conveniently done hereafter. The purchase price for the Bonds will be delivered by the purchaser to the Issuer at the time of closing.

Section 2.10. Delegation of Authority; Bond Details. The Designated Officer is hereby authorized to accept a purchase offer on the terms and conditions most favorable to Issuer, provided, however, that the final principal amount, interest and terms shall be within the parameters as set forth herein.

ARTICLE III CREATION OF FUNDS AND ACCOUNTS

Section 3.01. Creation of Construction Fund. There is hereby created and ordered established in the custody of the Issuer the Construction Fund.

Section 3.02. Creation of Revenue Fund. There is hereby created, ordered and established with the Issuer the Revenue Fund.

Section 3.03. Creation of Bond Fund. There is hereby created and ordered established in the custody of the Issuer the Bond Fund.

Section 3.04. Creation of Cost of Issuance Fund. There is hereby created and ordered established in the custody of the Issuer the Cost of Issuance Fund.

ARTICLE IV APPLICATION OF PROCEEDS

Section 4.01. Application of Proceeds of the Bonds. The Secretary will receive the proceeds from the sale of the Bonds in the amount of \$1,622,000.00 and the Secretary shall deposit such proceeds as follows:

- (a) In the Construction Fund, the amount of \$1,600,000.00; and
- (b) In the Cost of Issuance Fund, the amount of \$22,000.00.

Section 4.02. Disbursement from Cost of Issuance Fund. Costs of issuance related to the Bonds shall be administered and maintained by the Issuer. All proceeds of the Bonds and income from the investment thereof in the Costs of Issuance Account shall be applied to pay the costs of issuing the Bonds; provided, however, that any monies remaining in the Costs of Issuance Account six months after the date of initial delivery of the Bonds shall be deposited into the Bond Account.

ARTICLE V USE OF FUNDS

Section 5.01. Use of Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by herein, moneys deposited in the Construction Fund shall be disbursed by the Secretary to pay the costs of the Project, within three (3) business days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Secretary of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit "1" attached hereto, stating that the Secretary shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of the Project based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Secretary shall pay, the obligation set forth in such requisition out of moneys in the Construction Fund. In making such payments the Secretary may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Secretary shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Issuer shall deliver to the Issuer, within 90 days after the completion of the Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Secretary.

(d) In the event the certificate filed with the Issuer pursuant to Section 5.01(c) herein shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Issuer when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Secretary and the Issuer shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a supplemental resolution, upon completion of the Project and payment of all costs and expenses incident thereto and the filing with the Secretary of documents required by this Section 5.01, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied, (i) toward the redemption of the Bonds issued to finance such Project or (ii) to pay principal and/or interest next falling due with respect to such Bonds.

(g) The Secretary shall, to the extent there are no other available funds held under the Resolution, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder.

Section 5.02. Application of Pledged Revenues.

(a) All Pledged Revenues shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer and shall be deposited into the Revenue Fund to be applied to the payment of the Bonds as set forth hereinafter.

(b) As a first charge and lien on the Pledged Revenues and so long as any Bonds are Outstanding, the Issuer shall, at least fifteen days before each interest payment date, transfer and deposit into the Bond Fund from the Pledged Revenues in the Revenue Fund or otherwise provide from allocation from Pledged Revenues to the Secretary for deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding interest payment date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Secretary to pay interest on the Bonds next coming due, the Issuer need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of; premium, if any, and interest on the Bonds promptly on each such interest payment date as the same become due and payable. The foregoing provisions may be revised by a supplemental resolution for any Series of Bonds having other than semiannual interest payment dates.

(c) Subject to making the foregoing deposits, the Issuer may use the balance of the Pledged Revenues accounted for in the Revenue Fund for any of the following:

- (i) redemption of Bonds;
- (ii) refinancing, refunding, or advance refunding of any Bonds; or
- (iii) for any other lawful purpose.

(d) The Pledged Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any deficiencies in payments previously made into the Funds hereinabove established may be used at any time for any lawful purpose.

Section 5.03. Investment of Funds. Any moneys in the Bond Fund or the Construction Fund shall, at the discretion and authorization of the Issuer, be invested by the Secretary in Permitted Investments; provided, however, that moneys on deposit in the Bond Fund may only be invested in Permitted Investments having a maturity date one year or less. If no written authorization is given to the Secretary, moneys shall be held uninvested. Such investments shall be held by the Secretary, and when the Secretary determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund and Bond Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Permitted Investments.

The Secretary shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 5.04. The Secretary shall be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment thereafter, absent receipt of written notice or information to the contrary.

The Secretary may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, make any and all investments permitted by the provisions of the Resolution through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Secretary will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Secretary hereunder.

Section 5.04. Trust Funds. All moneys and securities received by the Secretary under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or

instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Secretary as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Secretary payable hereunder.

Section 5.05. Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Permitted Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually.

ARTICLE VI

TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

Section 6.01. Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred upon the registration books kept by the Bond Registrar pursuant to Section 6.03 hereof by the person in whose name it is registered, in person or by such owner's duly authorized attorney, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. Within thirty (30) days after such transfer, the person in whose name such Bond was registered before the transfer shall surrender the Bond to the Bond Registrar or provide the Bond Registrar with written notice that the Bond has been lost, mutilated or destroyed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be transferred, the Bond Registrar shall register, authenticate, if applicable, and deliver a new fully registered bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 6.02 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall pay any tax or other governmental charge required to be paid with respect to such transfer.

Section 6.02. Exchange Bonds. Bonds may be exchanged at the office of the initial Bond Registrar in Willard City, Utah, or the principal corporate trust office of any successor who is at the time the Bond Registrar, for a like aggregate principal amount of fully registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 208 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. Within thirty (30) days after such transfer, the person in whose name such Bond was registered before the transfer shall surrender the bond to the Bond Registrar or provide the Bond Registrar with written notice that the Bond has been lost, mutilated or destroyed. With respect to each Bond, no such exchange shall be

required to be made after the applicable Payment Date.

Bonds may be exchanged at the office of the initial Bond Registrar or the principal corporate trust office of any successor who is at the time the Bond Registrar, for a like aggregate principal amount of Fully Registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.07 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made after the Record Date with respect to any Interest Payment Date to and including such Interest Payment Date.

Section 6.03. Bond Registration Books. This Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended. The Bond Registrar shall keep or cause to be kept, at its office, or its principal corporate trust office if a successor Bond Registrar, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause Bonds to be registered or transferred on those books as herein provided.

Section 6.04. List of Registered Owners. The Bond Registrar shall maintain a list of the names and addresses of the Owners of all Bonds and upon any transfer shall add the name and address of the new owner and eliminate the name and address of the transferor owner.

Section 6.05. Duties of Bond Registrar. If requested by the Bond Registrar, the Chairman of the Issuer and the Secretary are authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder, which may include the following:

- (a) to act as Bond Registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondowners as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to cancel and/or destroy Bonds that have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (d) to furnish the Issuer upon request at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (e) to furnish the Issuer upon request at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

ARTICLE VII

COVENANTS AND UNDERTAKINGS

Section 7.01. Punctual Payment. The Issuer will punctually pay or cause to be paid the principal, the prepayment premium, if any, and any applicable interest when due on the Bonds, in strict conformity with the terms of the Bonds and of this Resolution, according to the true intent and meaning thereof. The Issuer agrees that there shall be no grace period as to the date of any payment required to be made pursuant to the terms of the Bond and of this Resolution.

Section 7.02. Covenant of Issuer. The Issuer hereby covenants and agrees with each and every Holder of the Bonds the following:

(a) While any of the Bonds remain outstanding and unpaid, any resolution or other enactment of the Issuer, applying the Pledged Revenues for the payment of the Bonds shall be irrevocable until the Bonds have been paid in full as to both principal and interest, if any, and shall not be subject to amendment or modification in any manner which would impair the rights of the holders of the Bonds or which would in any way jeopardize the timely payment of principal or interest, if any, when due.

(b) So long as any Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the receipt and use of Pledged Revenues. Each Bond Owner or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred fifty (150) days following the close of each fiscal year (the term "fiscal year" as used in this subsection meaning whatever twelve-month period the Issuer may from time to time be using for general financial accounting purposes) cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of Pledged Revenues, as well as all financial statements and that such audit of all financial statements will be provided to each Bond Owner within one hundred fifty (150) days following the close of each fiscal year. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(i) A statement in detail of the receipt and expenditure of Pledged Revenues for such fiscal year;

(ii) A balance sheet as of the end of such fiscal year;

(iii) An income statement at the end of such fiscal year;

(iv) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Resolution, and the accountant's

recommendations for any change or improvement;

(v) A list of the insurance policies in force at the end of the fiscal year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and

(vi) An analysis of all funds created in this Resolution, setting out all deposits and disbursements made during the fiscal year and the amount in each fund at the end of the fiscal year; and

(vii) Any other audited financial statements that the Purchaser may reasonably request.

The Purchaser may, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular fiscal year set forth in this Subsection 7.02(b), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Subsection 7.02(c) herein.

(c) In addition to the reporting requirements set forth in Subsection 7.02(b) above, the Issuer shall submit to the Purchaser within one hundred fifty (150) days following the close of the Issuer's fiscal year, a summary report substantially in the form as provided by the Purchaser to the Issuer upon purchase of the Bonds.

(d) Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues or of the proceeds of the Bonds shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time.

(e) The Issuer shall commence and complete the acquisition and construction of the Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(f) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the Project or upon the Pledged Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the Pledged Revenues or any part thereof or which might impair the security of the Bond, except when the Issuer in good faith contests its liability to pay the same.

(g) All payments falling due on the Bonds shall be made to the Bond Owner thereof at par and all charges made by the Depository Bank for its services shall be paid by the Issuer.

(h) The Issuer will maintain its corporate identity, will make no attempt to

cause its corporate existence to be abolished and will resist all attempts by other municipal corporations to annex all or any part of the territory now or hereafter in the Issuer or served by the Project.

Section 7.03. Observance of Laws and Regulations; Permits, Licenses and Claims.

(a) The Issuer will well and truly keep, observe and perform all valid and lawful obligations or orders or regulations now and hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of Utah, or by any officer, board or commission having jurisdiction or control over the Issuer or the Project or both, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Issuer, including its right to exist and carry on business, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired; provided, however, that the Issuer shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

(b) The Issuer shall at all times undertake reasonable efforts to perfect, and protect and maintain rights of any kind, all purchase contracts of any kind, and all permits, licenses and claims, necessary for the Project.

Section 7.04. Issuance of Additional Bonds. No additional indebtedness, bonds, or notes of the Issuer payable on a priority to the Pledged Revenues for the payment of the Series 2016 Bonds herein authorized shall be created or incurred without the prior written consent of the Registered Owners of 100% of the Outstanding Bonds. In addition, no additional bonds or other indebtedness, bonds, or notes of the Issuer payable on a parity with the Series 2016 Bonds out of Pledged Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default has occurred.

(b) Pledged Revenues for the Bond Fund year immediately preceding the proposed date of issuance of such additional bonds are at least equal to 150% of the annual Debt Service Requirement on all Bonds, including the additional bonds proposed to be issued.

(c) All payments required by this Resolution to be made into the Bond Fund must have been made in full.

(d) The proceeds of the additional bonds must be used (i) to refund Series 2016 Bonds issued hereunder or other obligations of the Issuer (including the funding of necessary reserves and the payment of costs of issuance) or (ii) for any other lawful purpose.

Section 7.05. Rights and Remedies of Bond Owners.

(a) The Registered Owner of any outstanding Bonds from time to time shall be

permitted the exercise of all rights and powers to which such Registered Owner is entitled under the Constitution and laws of the State of Utah.

(b) In addition to all other rights afforded by the Constitution and laws of the State of Utah, to the extent permitted by law, the Issuer agrees that the Registered Owner of any outstanding Bonds shall have the right if the Bond shall be permitted to default as to payment of principal, prepayment premium, if any, and interest thereon to apply to a court of competent jurisdiction to appoint a receiver for the Project.

Section 7.06. Resolution to Constitute Contract between the Issuer, the Bond Registrar and the Holders of the Bonds. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners from time to time of the Bonds. After the issuance of the Bonds, no change, variation or alteration in the provisions of this Resolution may be made, except as provided in Article IX hereof. The provisions of such contract shall be enforceable by appropriate proceedings to be taken by any of such Registered Owners either at law or in equity, to the extent permitted by law.

Section 7.07. Compliance with Resolution. The Issuer will not issue, or permit to be issued, any bonds or other obligations in any manner other than in accordance with the provisions of this Resolution and will not suffer or permit any default to occur under this Resolution, but will faithfully observe and perform all of the covenants, conditions and requirements hereof. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution and for the better assuring and confirming to the Registered Owners of the Bond of the rights, benefits and security provided in this Resolution. The Issuer for itself, its successors and assigns represents, covenants and agrees with the Registered Owners of the Bond, as a material inducement to the purchase of the Bond, that so long as the Bond shall remain outstanding and the principal thereof, prepayment premium, if any, or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Resolution and the Bond.

Section 7.08. Power to Issue Bonds and Pledged Revenues and Funds. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to adopt this Resolution and to the Pledged Revenues purported to be pledged by Resolution in the manner and to the extent provided herein. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Issuer in accordance with the terms of the Bonds and the terms of this Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the Pledged Revenues under this Resolution and all the rights of the Registered Owners of the Bonds under this Resolution against all claims and demands of all persons whomsoever.

**ARTICLE VIII
FORM OF BONDS**

Section 8.01. Form of Bonds. Each Bond shall be in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:

(FORM OF TAXABLE RENTAL REVENUE BOND)

Registered

Registered

**UNITED STATES OF AMERICA
STATE OF UTAH
IRON COUNTY
REDEVELOPMENT AGENCY OF CEDAR CITY
TAXABLE RENTAL REVENUE BOND
SERIES 2016**

Number R- _____

\$ _____

**INTEREST
RATE:**

**MATURITY
DATE:**

**ORIGINAL
ISSUE DATE:**

CUSIP:

_____ 15, _____

Registered Owner: _____

Principal Amount: _____ **DOLLARS**

Redevelopment Agency of Cedar City, Iron County, Utah (the "Issuer"), a duly organized and existing political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the Registered Owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid at the rate per annum (calculated on the basis of a year of 360 days comprised of twelve 30-day months) set forth above (the "Interest Rate"), which interest shall be payable on June 15 and December 15 of each year, commencing December 15, 2016 until all the principal shall have been paid.

Interest on this Bond shall accrue from June 15 and December 15 (each an "Interest Payment Date") next preceding the date on which it is authenticated, unless (i) it is authenticated before the first Interest Payment Date following the original Issue Date identified above, in which case interest shall accrue from the original Issue Date, or (ii) it is authenticated on an Interest Payment

Date, in which case interest shall accrue from such Interest Payment Date; provided, however, that if interest on the hereinafter defined Bonds shall be in default, interest on the Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Bonds surrendered. This Bond shall bear interest on overdue principal at the Interest Rate. Principal and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Bond shall be redeemable at the option of the Issuer at par at any time and upon the mailing of a notice to the registered holder hereof by registered mail, not less than thirty (30) days prior to the date set for redemption.

This Bond is one of the Taxable Rental Revenue Bonds, Series 2016, of the Issuer (the "Bonds") limited to the aggregate principal amount of \$1,622,000.00 issued under and by virtue of the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended and Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Utah Code Annotated, 1953, as amended (the "Act"), and under and pursuant to resolutions of the Issuer adopted on June 8, 2016 and July 13, 2016 (the "Resolution"). The Purpose of the Bonds is for the construction a 10,000 square foot, block wall expansion to the 34,823 square foot facility owned by the Issuer and used as a grocery store, together with all related work and improvements in connection with project area development and in all other respects to pay the cost of foregoing including engineering and expenses and costs of and issuance of the bonds and to acquire and provide all appurtenant facilities therefor, together with all necessary or related work and improvements (the "Project"), to reimburse itself for cost and expenses incurred for the Project prior to the issuance of the bonds and to pay the costs of the issuance and sale of the Bonds.

The Issuer hereby covenants with the Registered Owner of this Bond to keep and perform all covenants and agreements contained in the Resolution of the Issuer authorizing the issuance of this Bond, and the Issuer will cause to be collected and accounted for sufficient Pledged Revenues as defined in the Resolution as will at all times be sufficient to pay the principal payment on this Bond according to the payment terms set forth in this Bond and pursuant to the resolution authorizing this Bond.

This Bond is transferrable, as provided in the Resolution, only upon books of the Issuer kept for that purpose at the principal office of the Bond Registrar, by the Registered Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denomination of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Resolution and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer and the Bond Registrar may treat and consider the person whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute Owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and

interest due hereon and for all other purposes whatsoever, and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary.

The Bonds are issuable solely in the form of registered Bonds without coupons in the denomination of \$1,000 or any integral multiple thereof.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Resolution.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah and by the Act and the Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exists, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that 100% of the income or revenue derived from Agency undertakings and implementation of project area development of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond, according to its terms.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, REDEVELOPMENT AGENCY OF CEDAR CITY, IRON COUNTY, UTAH, has caused this Bond to be signed in its name and on its behalf by its Chairman and countersigned by its Secretary and has caused its official seal to be impressed hereon.

Chairman, Redevelopment Agency of Cedar City
Iron County, Utah

COUNTERSIGNED AND ATTEST:

Secretary, Redevelopment Agency of Cedar City
Iron County, Utah

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution and is one of the Taxable Rental Revenue Bonds, Series 2016 of Redevelopment Agency of Cedar City, Iron County, Utah.

as Bond Registrar

By _____
Authorized Officer

Date of registration
and authentication: _____.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and
not as tenants in common
UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act _____ (State

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of REDEVELOPMENT AGENCY OF CEDAR CITY, IRON COUNTY, UTAH,
and _____ hereby _____ irrevocably _____ constitutes _____ and _____ appoints
_____ attorney to register the transfer of
said Bond on the books kept for registration thereof, with full power of substitution in the
premises.

Dated: _____ Signature: _____

SIGNATURE GUARANTEED:

NOTICE: _____
Signature(s) must be guaranteed by a member firm of the New York Stock
Exchange, Inc. or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name as it appears upon
the face of the within Bond in every particular, without alteration or enlargement or
any change whatever.

ARTICLE IX
MODIFICATION OR AMENDMENT OF RESOLUTION

Section 9.01. Amendments Permitted. The Registered Owners of seventy-five percent (75%) in principal amount of the outstanding Bonds (not including any Bonds which may then be held or owned by or for the account of the Issuer), shall have the right from time to time to approve the adoption by the Governing Body of any amendment to this Resolution which may be deemed necessary or desirable by the Governing Body; provided, however, that nothing herein contained shall permit or be construed to permit the modification of the terms and conditions in this Resolution or in the Bonds so as to:

- (1) Make any change in the maturity of the Bond;
- (2) Reduce the rate of interest borne by the Bond;
- (3) Reduce the amount of the principal payable on the Bond;
- (4) Modify the terms of payment of principal of, prepayment premium, if any, or interest on the Bond or impose any conditions with respect to such payment; and
- (5) Affect the rights of the Registered Owners of less than all of the Bonds then Outstanding.

Section 9.02. Notice of Proposed Amendment; Consent of Bond Owners.

(a) If at any time the Governing Body shall have proposed an amendatory resolution, it shall cause the notice of the proposed adoption of such resolution to be sent by registered mail to the Registered Owners of the Bonds then Outstanding. No notice by publication shall be required.

(b) Whenever at any time within one year from the date of the mailing of said notice, there is filed in the office of the Secretary an instrument or instruments executed by the Registered Owners of at least seventy-five percent (75%) in principal amount of the Bonds then Outstanding, specifically consenting to and approving the adoption of the amendatory resolution and such other requirements stated herein have been met; thereupon, but not otherwise, said resolution shall become effective and the provisions thereof binding upon the Registered Owners of all of the Bonds then outstanding and no Registered Owners of any Bond then outstanding, whether or not he shall have consented to or shall have revoked any consent as in this Article provided, subject to the limitations of the subsequent paragraph, shall have any right to object to the adoption of such amendatory resolution or to the operation of any of the terms and provisions thereof.

(c) Any consent given by the Registered Owners of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of six months from the date of the mailing of the notice aforesaid and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of mailing of such notice by the Registered Owners who gave such consent,

or by a successor in title, by filing notice with the Governing Body in form satisfactory to the Governing Body of such revocation of consent, but such revocation shall not be effective if the Registered Owners of seventy-five percent (75%) in principal amount of the Bonds then Outstanding have prior to the attempted revocation consented to and approved the amendatory resolution.

(d) Proof of the execution of any such instrument of consent or the ownership by any person of such Bond shall be conclusive, if made in the manner provided in this Article. The fact and date of the execution by any person of any such instrument of consent may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgment of deeds, certifying that the person signing such instrument of consent acknowledged to him/her the execution thereof.

ARTICLE X DEFAULT AND REMEDIES

Section 10.01. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default:

(1) Payment of the principal of the Bond is not made when the same becomes due and payable;

(2) Payment of any installment of interest is not made when the same becomes due and payable;

(3) The Issuer for any reason is, or is rendered, incapable of fulfilling its obligations hereunder;

(4) The Issuer shall have failed to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Revenues, or to all or any combination thereof, or otherwise including, without limitation, this Resolution, and such failure shall continue for sixty (60) days after receipt of notice from the Registered Owner of the Bond;

(5) An order or decree is entered by a court of competent jurisdiction, with the consent of acquiescence of the Issuer, appointing a receiver or receivers for the Revenues and any other moneys subject to the lien to secure the payment of the Bond, or if any order or decree, having been entered without the consent or acquiescence of the Issuer, is not vacated or discharged or stayed on appeal within sixty (60) days after entry;

(6) The Issuer makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bond or in this Resolution on its part to be performed, and if such default continues for sixty (60) days after written notice, specifying such default and requiring the same to be remedied, is given to the Issuer by the Registered Owner of the Bond.

Section 10.02. Remedies for Defaults. Upon the happening and continuance of any of the Events of Default, as provided in this Section hereof, then and in every case the Registered Owner of the Bond, including, without limitation, a trustee or trustees therefor, may proceed against the Issuer and its agents, officers and employees to protect and to enforce the rights of any Registered Owner of the Bond under this Resolution by mandamus or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenants or agreement contained herein or for any proper legal or equitable remedy as such Registered Owner may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Registered Owner of any Bond, or to require the Issuer to act as if it were the trustee of an expressed trust, or any combination of such remedies, or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity shall be instituted, had and maintained for the benefit of the Registered Owner of the Bond. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Registered Owner hereunder, the consent to any such appointment being hereby expressly granted by the Issuer, may collect, receive and apply all Revenues, or all of the same, arising after the appointment of such receiver or operating trustee in the same manner as the Issuer itself might do.

Section 10.03. Rights and Privileges Cumulative. The failure of the Registered Owner of the Bonds to proceed in any manner herein provided shall not relieve the Issuer, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of the Registered Owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of the Registered Owner shall not be deemed a waiver of any other right or privilege thereof. The Registered Owner of the Bonds shall be entitled to all of the privileges, rights and remedies provided or permitted in this Resolution and as otherwise provided or permitted by law or in equity or by other statutes.

ARTICLE XI MISCELLANEOUS

Section 11.01. Discharge of Indebtedness. Any Bond shall not be deemed Outstanding when:

- (1) It is cancelled because of payment or prepayment prior to maturity; or
- (2) Cash funds for the payment or prepayment of such Bond shall have been theretofore deposited with the Bondowner (whether upon or prior to maturity of or the prepayment date established for such Bond); provided that if the Bond is to be prepaid prior to maturity, notice of such prepayment shall have been given or waiver of such notice shall have been filed with the Issuer by the Registered Owner of the Bonds, respectively, to be prepaid and there shall have been deposited irrevocably and arrangements shall have been made with the Depository to assure payment of all fees and expenses of the Depository to become due on and prior to the maturity or prepayment date, with no monies to be invested in any investments but direct obligations of or obligations guaranteed by the United States of America, maturing and bearing interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to

pay principal when due.

Section 11.02. Partial Invalidity. If any one or more articles, sections, paragraphs, clauses or provisions of this Resolution or the application thereof to any person or circumstances are held to be invalid by final decision in any court of competent jurisdiction, such invalidity shall not affect the other articles, sections, paragraphs, clauses and provisions of this Resolution which can be given effect without the article, section, paragraph, clause or provision so held to be invalid or the application of which is held to be invalid and shall not affect the application of such article, section, paragraph, clause or provision to other persons or circumstances and to this end the provisions of this Resolution are declared to be severable.

Section 11.03. Article and Section Headings. All references herein to "Articles", "Sections" and subdivisions are to the corresponding articles, sections or words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this Resolution.

Section 11.04. Publication of Notice of Bonds to Be Issued. In accordance with the provisions of Section 11-14-316, Utah Code Annotated, 1953, as amended, the Secretary has heretofore caused "Notice of Bonds to be Issued" to be published one (1) time in the Spectrum, a newspaper having general circulation in Redevelopment Agency of Cedar City, Utah, which is hereby confirmed and ratified.

Section 11.05. Conflicting Resolutions. All resolutions, orders and regulations or parts thereof heretofore adopted or passed that are in conflict with any of the provisions of this Resolution are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

Section 11.07. Ratification. All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

Section 11.08. Severability. It is hereby declared that all parts of this Resolution are severable, and if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Resolution.

Section 11.09. Captions. The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 11.10. Certification of Fulfillment of Conditions. The City hereby finds and certifies that all conditions precedent to the issuance of the Bonds have been satisfied and fulfilled.

Section 11.11. Maintenance of Records; Copies. A copy of the Resolutions and every

amendatory or supplemental resolution or other official action relating to the Bonds shall be kept on file with the Secretary, where the same shall be made available for inspection by any Registered Owner of the Bonds, or his, its or their agents for so long as any of the Bonds remain outstanding and unpaid. Upon payment of the reasonable cost for preparing the same, a certified copy of the Resolutions, or any amendatory or supplemental resolution, will be furnished to any Registered Owner of the Bonds.

Section 11.12. Effective Date. Immediately after its adoption, this Resolution shall be signed by the Chairman and the Secretary shall have the official seal of the Issuer impressed or imprinted hereon, shall be recorded in a book kept for that purpose and shall take immediate effect.

PASSED AND APPROVED this 13th day of July, 2016.

REDEVELOPMENT AGENCY OF CEDAR CITY

By _____
Chairman

ATTEST AND COUNTERSIGN:

By _____
Secretary

After the conduct of other business not pertinent to the foregoing, it was moved and carried that the Chairman and City Council adjourn.

REDEVELOPMENT AGENCY OF CEDAR CITY

By _____
Chairman

ATTEST:

By _____
Secretary

STATE OF UTAH)
 : ss.
COUNTY OF IRON)

I, PAUL COZZENS, hereby certify that I am the duly appointed, qualified and acting Secretary of Redevelopment Agency of Cedar City, Iron County, Utah;

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a Regular Meeting of the Governing Body of said Issuer, including a Resolution adopted at said meeting held on June 8, 2016, as said minutes and Resolution are officially of record in my possession, and that a copy of the said Resolution was deposited in my office on June 8, 2016;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Redevelopment Agency of Cedar City, Iron County, Utah, this 13th day of July, 2016.

Secretary

ACKNOWLEDGEMENT AND CONSENT OF THE PURCHASER

State Bank of Southern Utah, as Purchaser under the Resolution to which this Acknowledgement and Consent is attached, hereby acknowledges, agrees and consents to the terms and conditions of the Resolution. In witness whereof, the Purchaser has caused this Acknowledgement and Consent to be signed on its behalf as of the date of the Resolution by its duly authorized officer whose signature appears below.

STATE BANK OF SOUTHERN UTAH

By: _____

Its: _____

EXHIBIT 1
FORM OF REQUISITION

Re: Redevelopment Agency of Cedar City, Utah Taxable Rental Revenue Bonds, Series 2016
 in the sum of \$1,600,000.00

You are hereby authorized to disburse from the Construction Fund with regard to the
above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT: \$ _____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper charge against the Construction Fund based upon audited, itemized claims substantiated in support thereof, and has not been the basis for a previous withdrawal.

The amount remaining in the Construction Fund after such disbursement is made, together with the amount of unencumbered Pledged Revenues, if any, which the Issuer reasonably estimates will be deposited in the Construction Fund during the period of construction of the Project from the investment of moneys on deposit in the Construction Fund, will, together with any other moneys lawfully available or expected to be lawfully available for payment of the Cost of the Project and after payment of the amount requested in said requisition, be sufficient to pay the Cost of Completion for the Project in accordance with the plans and specifications therefor then in effect; it being understood that no moneys from the Construction Fund May be expended unless, after giving effect thereto, the funds remaining in the Construction Fund, together with such other funds and income and lawfully available moneys, are sufficient to pay the Cost of Completion for the Project.

DATED: _____

By: _____

Its: _____

STATE OF UTAH)
 : SS.
COUNTY OF IRON)

GENERAL CERTIFICATE

I, PAUL COZZENS, do hereby certify that I am the duly qualified and acting Secretary of the Redevelopment of Cedar City, Iron County, Utah (the "Redevelopment Agency"). I further certify according to the records of the Redevelopment Agency in my official possession as follows:

1. That the Redevelopment Agency is a duly organized and existing redevelopment agency created under authority of Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Utah Code Annotated, 1953, as amended.

2. The names of the Chairman, the members of the Redevelopment Agency of Cedar City and the Secretary in office on and since June 8, 2016 (the date on which the proceedings leading to the issuance of the Bond were commenced) are as follows:

<u>Name</u>	<u>Office</u>	<u>Term Expires:</u>
Ron Adams	Chairman	January 1, 2018
Paul Cozzens	Member / Secretary	January 1, 2020
Terri Hartley	Member	January 1, 2020
Craig Isom	Member	January 1, 2020
Maile Wilson	Member	January 1, 2018
Fred Rowley	Member	January 1, 2018

3. That there are no revenue bonds of said Redevelopment Agency of Cedar City, Iron County, Utah outstanding and payable from the Pledge of income from the Redevelopment Agency's revenues derived by the Issuer from the lease of its improvements currently occupied and operated as Lins Grocery Store.

4. That the Issuer has complied in all respects with the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"); and that the Issuer has full legal right, power and authority under the Constitution and laws of the State of Utah to issue the Taxable Rental Revenue Bond, Series 2016 (the "Bonds"); and that the Redevelopment Agency had at the time that the Resolutions and the Bonds were adopted, authorized, or entered into, full legal right, power and authority to adopt the Resolutions, to enter into each Bond, to sell and deliver the Bonds to the purchaser, and to carry out and consummate all other transactions contemplated by the Resolutions and the Bonds. The Resolutions and the Bonds are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

4. That the Spectrum is a newspaper of general circulation in the Cedar City; is published in St. George, Utah, and is qualified to carry legal notices.

5. That there is no litigation or referendum petition pending or threatened affecting in any way the legality of said Bond or any similar issue of bonds or notes issued by said Redevelopment Agency or the boundaries of said Redevelopment Agency or the title to office of any of the officers thereof.

6. That the issuance, sale, execution, and delivery of the Bonds and the execution and delivery of the Resolutions and fulfillment of the obligations of the Issuer contained therein, will not conflict with or constitute a breach of or default under the Act, or any constitutional provision, law, administrative rule, agreement, loan agreement, indenture, lease, resolution, or other instrument or agreement to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject or bound, nor will any such execution, delivery, or compliance result in the creation or imposition of any lien on any of the properties or other assets of the Issuer under the terms of any such law, regulation, instrument, or agreement, except as provided or permitted by the Act, the Resolutions, or the Bonds.

7. That the Issuer has never non-appropriated or defaulted under any of its payments or performance obligations or covenants, under any of its bonds, notes, leases, or other obligations of indebtedness for which its revenues or general credit are pledged.

8. That as long as principal or interest payments on the Bonds remains outstanding, that the Issuer will provide the registered owner of the Bonds as soon as practicable when they are available: (i) a copy of the Issuers final annual budget for each fiscal year; (ii) a copy of the Issuer's most recent financial statements; and (ii) any other financial reports that any registered owner may request from time to time.

9. That the Redevelopment Agency of Cedar City adopted a Parameters Resolution on June 8, 2016 and a Master Resolution on October 28, 2014, authorizing the issuance of said Bonds (collectively, the "Resolutions"). Said Resolutions were duly adopted and are in effect as of the date hereof.

11. That the regular meetings of the Redevelopment Agency of Cedar City are held on each Wednesday as prescribed by ordinance.

12. That the Bonds and the issue of which they form a part, shall constitute a lien upon all monies which, from time to time, are in the special fund herein pledged.

13. That the issuance of the Bonds will not cause said Redevelopment Agency to exceed any limitations on indebtedness under the Constitution and laws of the State of Utah.

14. In accordance with the requirements of §52-4-202(2) of the Utah Code, I gave notice of the 2016 Annual Meeting Schedule of the Redevelopment Agency, specifying the date, time and place of the regular meetings of the Redevelopment Agency scheduled to be held during the year 2016; by:

(a) causing a Notice of Annual Meeting Schedule for the Redevelopment Agency to be posted at the principal office of Cedar City at 10 North Main Street, Cedar City, Utah, on January 2, 2016, in the form attached hereto as Exhibit "A", that Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during the regular office hours of the City until at least the date of this General Certificate;

(b) causing a copy of the Notice of Annual Meeting Schedule for the Redevelopment Agency to be provided on January 2, 2016, to the Spectrum, newspaper of general circulation within the geographic jurisdiction of Cedar City, and to each local media correspondent, newspaper, radio station and television station that has requested notification of meetings of the Redevelopment Agency.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature on this 13th day of July, 2016.

Secretary

[SEAL]

**SECRETARY'S RECEIPT,
CERTIFICATE OF NO LITIGATION
AND DISCLOSURE CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Redevelopment Agency of Cedar City, Iron County, Utah (the "Issuer"), and, as such officer, I further certify that \$1,622,000 fully registered Taxable Rental Revenue Bonds, Series 2016 (the "Bonds") of the Issuer, dated July 13, 2016, with principal due serially on June 15 of each of the following years, in the amounts set forth below and with interest due on June 15 and December 15 of each year:

<u>June 15 of the Year</u>	<u>Amount Maturing</u>	<u>Interest Rate per annum</u>
2017	\$152,000.00	1.000%
2018	\$150,000.00	1.450%
2019	\$152,000.00	1.750%
2020	\$155,000.00	2.000%
2021	\$158,000.00	2.250%
2022	\$162,000.00	2.500%
2023	\$166,000.00	2.750%
2024	\$170,000.00	3.050%
2025	\$176,000.00	3.200%
2026	\$181,000.00	3.350%

has on this day been delivered to the purchaser thereof, namely, State Bank of Southern Utah (the "Purchaser"), and that the Bonds have on this day paid for in full by the Purchaser in accordance with the terms of sale at the price of \$1,622,000.

I further certify that the officers whose signatures appear on the Bonds were in occupancy and possession of their respective offices at the time of the delivery of the Bonds as aforesaid.

I further certify that the total taxable rental revenue bonds of said Issuer outstanding payable from the Pledge of rental or other revenues derived by Issuer from the lease of its improvements currently occupied and operated as Lins Grocery Store, is \$-0-, except for the Bonds incident to this Affidavit which are in the aggregate amount of \$1,622,000, which Bonds are payable exclusively from rental revenues and not from charges against the Issuer's general credit or taxing powers.

I further certify that (a) no litigation of any nature is now pending or, to my knowledge, threatened against or affecting the Issuer that (i) seeks to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the collection of rental revenues to pay principal thereof

and interest thereon; (ii) in any manner questions the proceedings and authority pursuant to which the Bonds have been authorized; or (iii) affects the validity or enforceability of the Bonds; (b) neither the corporate existence of the Issuer, the boundaries of the Issuer, nor the titles of the officers of the Issuer are being contested; and (c) the Parameters Resolution adopted June 8, 2016 and the Master Resolution dated July 13, 2016, authorizing the issuance and sale of the Bonds (collectively, the "Resolutions") have not been in any manner or to any extent amended, repealed or superseded.

I further certify that no petition purporting to initiate legislation relating to or affecting the Bonds or the authority for the issuance thereof or any of the transactions contemplated by the terms of sale or purporting to require the submission of the Resolutions to the vote of the electors of the Issuer, pursuant to Article VI, Section 1, Subsection 2 of the Constitution of the State of Utah or under any applicable statute, has been filed with the Issuer or any officer thereof, nor, to my knowledge, has any such petition been threatened.

I further certify that a copy of the Parameters Resolution adopted June 8, 2016, authorizing the issuance and sale of the Bonds, together with all exhibits thereto, was filed in my office on June 8, 2016, for examination by any interested person during the regular business hours of my office, and that said resolution has remained on file for public inspection continuously since that date.

WITNESS my official signature this 13th day of June, 2016.

Secretary
Redevelopment Agency of Cedar City,
Iron County, Utah

We, the undersigned, the duly qualified and acting Chairman and Secretary, respectively, of the Redevelopment Agency of Cedar City, Iron County, Utah (the "Issuer"), do hereby certify that to the best of our knowledge and belief, and after reasonable investigation: no material adverse change in the operations or financial affairs of the Issuer has occurred since the time of such sale.

WITNESS our official signatures as of the date subscribed to the foregoing receipt.

Ron Adams, Chairman
Redevelopment Agency of Cedar City,
Iron County, Utah

Paul Cozzens, Secretary
Redevelopment Agency of Cedar City,
Iron County, Utah

**CEDAR CITY
COUNCIL AGENDA ITEM 2
STAFF INFORMATION SHEET**

TO: Mayor and Council

FROM: Kit Wareham

DATE: July 6, 2016

SUBJECT: Consider the Contractor Selection Process for the Lin's Market Expansion

Associated Food Stores is going through the contractor selection process for the Lin's Market Expansion Project. Associated Foods would like to get the project bid out as soon as possible as to not miss this year's construction season.

Associated Foods has advertised for and completed a pre-qualification process (as in the City's RFP process) to determine the eligible bidders for the project. Associated Foods is now going through the bid process for the project (as in the City's competitive bid process).

Associated Foods representatives would like to discuss the current status of the contractor selection process in the Cedar City Redevelopment Agency work meeting tomorrow night. Later on this week Associated Foods will receive bids for the project from the pre-qualified bidders and have a recommendation on a contractor selection for next week's action meeting of the Cedar City Redevelopment Agency.

**Cedar City RDA Meeting
Wednesday, July 6, 2016
Local Business Expansion Project**

Dear Mayor and Council Members,

I am bringing an item before the Cedar City Redevelopment Agency at the July 6 meeting concerning a local business and expansion project that the office of economic development has been working on for several months. This project involves Decorworx, which is affiliated with Rainbow Sign and Banner in Cedar City.

Jeff Dansie founded his Rainbow Sign and Banner company over 20 years ago in a small space on south Main Street. Since then, the sign company has become an important part of Cedar City's business community, employing more than 60. Most residents recognize Rainbow Sign and Banner's work designing, producing and installing signs and banners locally and throughout the region. Many local residents are unaware of the Decorworx portion of this business, which has grown substantially in the past several years.

Decorworx originally created interior design elements for Smith's stores in Cedar City and throughout the Smith's organization until that company was sold to Kroger. Since then, Decorworx has become the preferred vendor for Associated Foods, which is a grocery retailer cooperative that supplies about 500 independently owned retail supermarkets throughout Utah, Arizona, Idaho, Colorado, Montana, Oregon, Nevada and Wyoming. Decorworx specializes in the design, production and installation of custom interior décor elements in new stores and in store remodels. Their work is very involved and has proven to increase their clients' return on investment significantly and they have become renowned nationally for their work.

In addition to Decorworx's substantial ties with Associated Foods, the company has also become affiliated with similar grocery organizations in every region of the United States. Mr. Dansie and his company are currently working on numerous jobs in every corner of the country. Their current workload and their future projections mean Decorworx will need to increase its workforce significantly, with plans to eventually hire more than 200 new employees in jobs that pay higher than our average county wage.

Mr. Dansie's expansion plan for his company involves much more than just moving into a warehouse or steel building. Instead, he plans to create a beautiful facility to house his team of designers and craftsmen. He would prefer to invest more money in refurbishing a historic building to create a work space with energy and vision for creativity. If he decides to keep his company in Cedar City, he is looking to restore such a building on North Main Street, not far from our historic downtown.

In recent months, grocery associations in the south and in the midwest have been working aggressively to entice Decorworx to relocate their operations in their states. The state of Louisiana, in particular, has offered extremely attractive incentives to move their company out of Cedar City.

The office of economic development has been working with Decorworx, and with the Utah Governor's Officer of Economic Development and the Economic Development Corporation of Utah to convince this company to keep operations in Cedar City and to grow new jobs here. We would like to be able to use the same kinds of incentives that are used to attract outside businesses to locate here to demonstrate that Cedar City values this home-grown business enough to compete to keep it here.

The office of economic development has received a letter from Decorworx requesting some local incentives that would help bring expansion costs into a range that would allow his company to stay here. (See attached). Economic Development would like to move forward in the creation of an incentive package in response to Decorworx's request. In order to do so, we are asking the RDA to give the office approval to hire a consulting firm to assist in the creation of a new Community Reinvestment Area (CRA) so that a local Tax Incentive Finance (TIF) incentive could be set up. Funding for this study is available in the economic development/RDA budget.

It is my hope that by creating a new CRA project area in Cedar City, that we can create a post-performance tax incentive for this company and, potentially, other companies that may be able to meet our Economic Development requirements in this area. Decorworx has requested an 85% incentive for ten years. If this company can create the number of jobs that they are proposing, and if they can invest the \$11.5 million into this area as proposed, then I would like to take this figure before the local taxing entities for approval if the new CRA project area is created.

Decorworx has also requested 50% relief on building permits associated with this project, as well as assistance in qualifying for historical preservation grants and tax credits. The office of economic development is working to create incentives that are comparable to these requests.

Decorworx has submitted an application to GOED for state incentives. The GOED board meets on July 14 to announce their decision. In speaking to a GOED representative, I have found that the request meets the state's requirements for incentives and Decorworx's presentation was well-received. Our hope is that these state incentives, combined with a local incentive package, will be sufficient to keep this company in Cedar City and to see them grow and succeed as planned.

In order to move forward in the creation of a local incentive package, I need the RDA's consent to do so.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D. B. Stewart', with a stylized flourish at the end.

Daniel B. Stewart
Economic Development Director